



Mark A. Aebi  
Manager, Environmental Risk  
Risk Management & Remediation  
ConocoPhillips Company  
420 S. Keeler Avenue, 1668-02 PB  
Bartlesville, Oklahoma 74004  
phone 918-661-1574  
cell 918-914-9308  
Mark.A.Aebi@ConocoPhillips.com

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VIA OVERNIGHT DELIVERY

August 8, 2011

Mr. Stephen Capuyan,  
Enforcement Officer  
Superfund Enforcement Assessment  
Section (6SF-TE)  
U.S. EPA, Region 6  
1445 Ross Avenue  
Dallas, Texas 75202-2733

Re: Response to Request for Information dated June 8, 2011  
San Mateo Creek Basin Legacy Uranium Sites  
Cibola/McKinley County, New Mexico SSID No. A6K6

Dear Mr. Capuayan:

This letter and the enclosed documents constitute the initial response of ConocoPhillips Company ("ConocoPhillips") to the above-referenced request for information. Thank you for your courtesy in granting us an extension through August 9, 2011, to respond to the information request, as reflected in a letter from Wren Stenger of U.S. EPA dated June 28, 2011.

Because the request covers a period of time dating back many decades, we have had considerable difficulty locating information in our files regarding this matter or any current or former employees who may have relevant knowledge. In preparing these responses, ConocoPhillips nevertheless made a diligent search of its records and conducted an extensive investigation for available information regarding the identified sites.

ConocoPhillips will continue its efforts to locate additional information that may be responsive to this request. Submission of the enclosed response and the accompanying documents is not intended, and should not be interpreted or construed as, an admission or waiver of any claims, rights, or defenses of ConocoPhillips. Moreover, ConocoPhillips reserves any and all such claims, rights, and defenses, including the right to further amend or supplement its responses.

Mr. Stephen Capuyan  
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Please direct any further communications regarding this matter to Willette A. DuBose, HS&E Legal Specialist, ConocoPhillips Company, Downstream Group, 600 North Dairy Ashford, ML 1070, Houston, TX 77079, Phone (281) 293-6952.

Very truly yours,

A handwritten signature in black ink, appearing to read "Mark A. Aebi". The signature is fluid and cursive, with the first name "Mark" being the most prominent.

Mark A. Aebi  
ConocoPhillips Company  
Manager, Environmental Risk

Enclosures

cc: Paul Hamada, Senior Counsel, Legal, ConocoPhillips  
Willette A. DuBose, HS&E Legal Specialist, Legal, ConocoPhillips  
Terry Lauck, Site Manager, RM&R, ConocoPhillips

**CONOCOPHILLIPS COMPANY  
RESPONSES TO JUNE 8, 2011 EPA REQUEST FOR INFORMATION  
San Mateo Creek Basin Legacy Uranium Sites  
Cibola/McKinley County, New Mexico SSID No. A6K6**

The responses set forth herein are based on the present knowledge, information and belief of ConocoPhillips Company ("ConocoPhillips"). ConocoPhillips reserves the right to supplement these responses when and if appropriate. ConocoPhillips does not concede the relevancy of the responses, nor does it accept or adopt as accurate any statements or implications that may be drawn from the requests themselves. ConocoPhillips also reserves all objections to the form of the requests.

These responses are not and should not be taken as an admission or waiver of any kind to the jurisdiction, statutory authority, or regulatory authority of the United States Environmental Protection Agency ("EPA") for this information request or any further investigation or action.

**QUESTIONS AND RESPONSES**

- 1. Please identify those individuals who assisted in the preparation of this information response. For each individual, provide the following: name, current or last known address and telephone number.**

**Response**

Willette A. DuBose HS&E Legal Specialist ConocoPhillips Company 600 N. Dairy Ashford, ML 2070 Houston, TX 77079 281-293-6952	Paul I. Hamada Senior Counsel ConocoPhillips Company 600 N. Dairy Ashford, ML 2080 Houston, TX 77079 281-293-1036
Terry Lauck Site Manager ConocoPhillips Company 1616-01 Phillips Building 420 South Keeler Avenue Bartlesville, OK 74004 918-661-0935	William J. Lundeen Manager, Central Region ConocoPhillips Company 1620-01 Phillips Building 420 South Keeler Avenue Bartlesville, OK 74004 918-661-0701
Jenny L. Brown Corporate Archivist ConocoPhillips Company C21 Phillips Building 420 South Keeler Avenue Bartlesville, OK 74004 918-661-7252	Ann Anderson Consultant, Superfund & Claims ConocoPhillips Company 1664-02 Phillips Building 420 South Keeler Avenue Bartlesville, OK 74004 918-661-4536

Mark A. Aebi Manager, Environmental Risk Risk Management & Remediation ConocoPhillips Company 1668-02 Phillips Building 420 South Keeler Avenue Bartlesville, OK 74004 918-661-1574	James F. Thompson Jessica Rosell J. Eric Weslander Lathrop & Gage, LLP 2345 Grand Boulevard Kansas City, MO 64108 816-292-2000
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**For each mine listed below, answer questions 2 through 7.**

<b>Mine Name</b>	<b>Known Alias(es)</b>
<b>Ann Lee</b>	<b>Phillips No. 1, Section 28, Spider Rock</b>
<b>John Bully</b>	<b>John Bully Shaft</b>
<b>Sandstone</b>	<b>Section 34</b>

**2. Identify and describe any portion of the mine or assets at the mine owned, operated, leased, or mined or explored by the Respondent, and the dates during which the mine was owned, operated, leased, mined, or explored, including areas where borings were taken and provide copies of all documents evidencing or relating to such ownership, operation, or lease, including but not limited to purchase and sale agreement, royalty payments, deeds, and leases including mining leases, and gravel and tailings leases.**

### **Response**

ConocoPhillips conducted a diligent search of its records but located only limited files or information relating to the listed mines. According to historical documents, Phillips Petroleum Company ("Phillips"), a predecessor of ConocoPhillips, moved into the development of alternate energy with the acquisition of uranium reserves in the mid- to late-1950s. Phillips established a relatively small division known as the Strategic Minerals Section within the company's Mining and Milling Department, to hold and develop these reserves.

With the approval of the Atomic Energy Commission, Phillips divested all of the uranium business and assets of the former Strategic Minerals Section to United Nuclear Corporation just a few years later, in 1963. United Nuclear, now a subsidiary of General Electric Corporation, assumed all the operations and liabilities associated with the acquired mines. Enclosed is a CD containing imaged documents, including maps, drawings, correspondence, and company data that may be responsive to this request with respect to the listed mines. For each mine, ConocoPhillips responds more particularly below.

Ann Lee Mine (aka Phillips No. 1, Section 28, Spider Rock)

The Ann Lee Mine was located in Section 28 of Township 14 North, Range 9 West, in McKinley County, New Mexico. According to a 1963 article, the Strategic Minerals Section of Phillips first discovered commercial-grade uranium in Section 28 in early 1956.<sup>1</sup> Exploratory borings were drilled, resulting in an estimated ore body reserve of about 1,000,000 tons.<sup>2</sup>

Holly Uranium Corporation ("Holly") leased Section 28 and Section 34 from Paul E. McDaniel, Inc. ("McDaniel") beginning in February 1956. The recorded lease, which is included as Document SM\_000156 on the enclosed CD, sets forth a schedule of royalty percentages payable to McDaniel based on ore mined from the site. The contract provided that royalty payments would be determined based on market price, including bonus payments and premiums, to be paid by the Atomic Energy Commission or other government-authorized agency or mill.<sup>3</sup>

Phillips acquired a partial interest in the mining lease from Holly, subject to McDaniel's royalty interest, in April 1956.<sup>4</sup> Holly assigned its remaining interest in the lease to Phillips approximately six months later.<sup>5</sup> Sinking of a mine shaft at the site commenced in 1957.<sup>6</sup> A report from March 4, 1958, indicates, however, that "the mine has not yet passed from the development stage to the operating stage[.]"<sup>7</sup>

Just three years later, on August 15, 1961, Phillips relinquished all right, title, and interest in the mining lease with Holly covering a number of the Ann Lee mining claims.<sup>8</sup> In June 1962, the Mining and Milling Department of Phillips entered into a contract giving KSN Company, Inc. the right to mine remaining ore reserves in Section 28 through September 31, 1966.<sup>9</sup>

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<sup>1</sup> See John B. Squyres, *Geology and Ore Deposits of the Ann Lee Mine, Ambrosia Lake Area*, Memoir 15 in *Geology and Technology of the Grants Uranium Region*, at 90 (N.M. Bureau of Mines and Mineral Resources 1963) (Document SM\_000020).

<sup>2</sup> *Id.*

<sup>3</sup> Under the Atomic Energy Act of 1954, the United States government was the only authorized owner or purchaser of processed uranium.

<sup>4</sup> See Assignment, Apr. 16, 1956 (Document SM\_000172).

<sup>5</sup> See Assignment, Oct. 10, 1956 (Document SM\_000127).

<sup>6</sup> See *Uranium Fever at Ambrosia Lake*, PHILNEWS May 1958, at 18-19 (Document SM\_000078); see also John B. Squyres, *supra*, note 1 at 90 (Document SM\_000020).

<sup>7</sup> See Phillips Oper. Comm., Mar. 4, 1958 (Document SM\_000068).

<sup>8</sup> See Release, Aug. 15, 1961 (Document SM\_000166).

<sup>9</sup> See John B. Squyres, *supra*, note 1 at 90 (Document SM\_000020); Phillips Operating Committee Minutes, June 7, 1962, Document SM\_000052.

The Atomic Energy Commission approved the sale of the Ann Lee mining interests, as well as all other uranium mining business and operations of the Strategic Minerals Section, to United Nuclear in 1963. United Nuclear assumed the mining lease, subject to the contract with KSN Company, Inc., and agreed to indemnify Phillips for past obligations and further operations.<sup>10</sup> Neither Phillips nor any other predecessor of ConocoPhillips had any further interest in or involvement with the Ann Lee Mine.

#### John Bully (aka John Bully Shaft)

Despite a diligent search, ConocoPhillips has been unable to locate any information or documents in its files concerning a former mine or mine feature called the "John Bully" or "John Bully Shaft."

#### Sandstone (aka Section 34)

The former Sandstone Mine was located in Section 34 of Township 11 North, Range 9 West, in McKinley County, New Mexico. Section 34 was subject to the same mining lease between Holly and McDaniel as the Ann Lee mine described above, and the same assignments between Holly and Phillips in 1956.

The estimated ore reserves in Section 34 were roughly half as large as those in Section 28. The Strategic Minerals Section of Phillips apparently completed development and construction of a single mine shaft for the Sandstone Mine in 1959, and began mining operations thereafter.<sup>11</sup>

With the approval of the Atomic Energy Commission, United Nuclear assumed the Sandstone Mine lease and took over operations of the mine when it absorbed all the uranium holdings and business of Phillips' Strategic Minerals Section in 1963. United Nuclear continued the operations and even agreed to be bound by the pre-existing union contract covering employees at the mine.<sup>12</sup> There is no indication that Phillips or any other predecessor of ConocoPhillips had any further interest or involvement with the Sandstone Mine after the sale to United Nuclear.

### **3. Where not provided as a response to Question 2, above, provide information about each mine, including but not limited to the following:**

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<sup>10</sup> Agreement between Phillips and United Nuclear, Feb. 25, 1963 (Document SM\_000007); Indemnity Agreement, Feb. 25, 1963 (Document SM\_000009); Letter Agreement, Mar. 27, 1963 (Document SM\_000207); Conveyance, Mar. 27, 1963 (Document SM\_000008); see also Phillips Exec. Comm. Summary, Feb. 1963 (Document SM\_000055).

<sup>11</sup> See Phillips Oper. Comm., Mar. 19, 1959 (Document SM\_000035).

<sup>12</sup> See *NLRB v. United Nuclear Corp.*, 381 F.2d 972 (10th Cir. 1967).

- a. Property boundaries, including a written legal description;
- b. A map identifying the property location;
- c. Maps of the mine plans and boring hole locations;
- d. Location and description of surface structures (e.g., protore, waste pile, retention ponds, buildings, housing, etc.);
- e. Location and description of any ground water wells or sources of surface water used in mine operations;
- f. Maps, drawings, aerial photographs of the property.

**Response**

Please refer to the response to Question 2 above. Also, please refer to the documents provided herewith. ConocoPhillips has been unable, despite a diligent search, to locate any additional documents in its files that may be responsive to this request.

4. For each mine, describe the activities or operations which were conducted by you on that mine. Provide any and all documentation in your possession which describes the operations which occurred at that mine.

**Response**

Please refer to the response to Questions 2 and 3 above. Also, please refer to the documents provided herewith.

5. Provide any records on the dewatering of the mine that provide specific information on pump rates, pump station locations, pump sizes and changes in aquifer piezometric heads.

**Response**

ConocoPhillips has been unable, despite a diligent search, to locate any records in its files that may be responsive to this request.

6. Describe what waste by-product(s) was produced during your operations. For each waste by-product identified by the Respondent, describe what you did with these waste by-products.

- a. Specifically, also describe what you did with:
  - i) Uranium protore or uneconomic material
  - ii) Any listed or unlisted hazardous substances
  - iii) Dewatering or surface water discharge

**b. Provide all documentation which describes how waste by-product was stored, treated, disposed or deposited at the property.**

**c. For each waste by-product identified, provide a map identifying where on the property these wastes were stored, treated, disposed or deposited.**

**Response**

Please refer to the responses to Questions 2 and 5 above. Also, please refer to the documents provided herewith. ConocoPhillips has been unable, despite a diligent search, to locate any additional documents in its files that may be responsive to this request.

**7. Identify and describe all reclamation or cleanup efforts made by the Respondent to address waste by-products and/or to prevent potential releases of hazardous substances.**

**Response**

Please refer to the responses to Questions 2 and 5 above. Also, please refer to the documents provided herewith. ConocoPhillips has been unable, despite a diligent search, to locate any additional documents or information that may be responsive to this request.

**8. Identify all of the Respondent's predecessor corporations.**

**Response**

Conoco Inc. merged with and into Phillips Petroleum Company on December 31, 2002, and Phillips Petroleum Company changed its name to ConocoPhillips Company. As of that date, Phillips, which was originally incorporated in Delaware in 1917, ceased to exist as a separate legal entity.

ConocoPhillips and its predecessor companies have had many subsidiaries, affiliates, and other business interests and have engaged in numerous corporate acquisitions, mergers, and divestitures over the long history of the company. A recitation of each specific acquisition or other business transaction since the company's inception would be an enormous undertaking, requiring significant research and investigation, well beyond the intended scope of this inquiry.

ConocoPhillips is not presently aware of any particular entity previously formed, acquired, or held by Phillips that may be relevant with respect to the Site. In the



event we subsequently discover information about any such entity, ConocoPhillips will supplement this response accordingly.

**9. Identify all subsidiaries of the Respondent's predecessor corporations.**

**Response**

Please refer to the response to Question 8 above.

**10. If the Respondent is a corporation, provide EPA with a copy of the Articles of Incorporation and By-Laws of the Respondent.**

**Response**

Copies of the Restated Certificate of Incorporation and By-Laws of Phillips Petroleum Company are included on the enclosed CD. See Documents SM\_000190 and SM\_000180. In addition, a copy of the Certificate to Amend the Restated Certificate of Incorporation to change the name of the corporation from Phillips Petroleum Company to ConocoPhillips Company, Document SM\_000205, is also enclosed. Those corporate documents do not, however, have any bearing on the Site or former mining operations that were transferred to United Nuclear almost half a century ago.

**11. Was the Respondent ever dissolved, either formally or otherwise? If so, describe the dissolution of the company which dissolved. In your description, identify to whom the assets were transferred. In your description, identify to whom the liabilities were transferred.**

**Response**

ConocoPhillips has not itself been dissolved. Please also refer to the response to Question 8 above. ConocoPhillips notes that the uranium holdings and business operations of the former Strategic Minerals Section of Phillips were transferred to United Nuclear in 1963. United Nuclear assumed the operations and liabilities associated with the acquired mines and mill as part of that transaction.

**12. Has the Respondent ever filed for bankruptcy or been liquidated? If so, describe the bankruptcy or liquidation. In your description, identify to whom the assets were transferred. In your description, identify to whom the liabilities were transferred.**

### **Response**

ConocoPhillips has not itself filed for bankruptcy or been liquidated, and is not presently aware of any bankruptcy filing of a predecessor or subsidiary that may be relevant to this inquiry regarding the Site. Please also refer to the response to Question 8 above.

**13. Has the Respondent ever been sold? If so, describe the sale. In your description, identify to whom the assets were transferred. In your description, identify to whom the liabilities were transferred. In your description, describe the form and terms of the transfer (e.g., whether it was a sale of assets, as sale of stock, or other form of transaction.**

### **Response**

ConocoPhillips is owned by a public holding company, individual shares of which are regularly sold and traded on the New York Stock Exchange. Please also refer to the response to Question 8 above. ConocoPhillips notes that the uranium holdings and business operations of the former Strategic Minerals Section of Phillips were transferred to United Nuclear in 1963. United Nuclear assumed the operations and liabilities associated with the acquired mines and mill as part of that transaction.

**14. Has the Respondent ever been merged with or acquired by another entity? If so, describe the merger or acquisition. In your description, identify to whom the assets were transferred, to whom the liabilities were transferred, and the form and terms of the transfer (e.g., whether it was a sale of assets, a sale of stock, or other form of transaction.).**

### **Response**

Please refer to the response to Question 8 above.

**15. If you have any reason to believe that there may be persons able to provide a more detailed or complete response to any part of this information request or who may be able to provide additional responsive documents, please identify such persons, including their last known addresses and telephone number.**

### **Response**

ConocoPhillips is not presently aware of any such persons.